

July 27, 2020

Mr. Jason A. DeWitt
Office of Regulations and Interpretations
Employee Benefits Security Administration
Room N-5655
U.S. Department of Labor
200 Constitution Ave., N.W.
Washington, DC 20210

Rule Number: RIN 1210-AB95

Dear Mr. DeWitt:

It has been brought to my attention that the Department of Labor has proposed guidance to clarify investment priorities within the Employment Retirement Income Security Act (ERISA). My understanding is that the proposed rule will better identify the priorities and fiduciary responsibilities for those managing pension and retirement funds, with specific clarity on environmental, social, and governance (ESG) investing. I commend Secretary Scalia and his team for leadership on this issue of importance to working families.

As someone that personally relies on a pension and worries about my local government's capacity to manipulate priorities, I support the Department's initiative. Pension and retirement funds are too important to many households to be distracted from maximizing returns for investors.

Having served as an accountant for many years I have seen firsthand the impact proper investing can have on a family's finances. Moreover, I have also witnessed the lackluster returns that ESG investing offers. I do not think that prioritizing largely social issues ahead of business interests yields positive returns for investors. Fund managers – especially those directing pension and retirement funds – are neglecting their fiduciary duty to maximize returns by peddling ESG products.

The data supports this position, too.

Research shows that ESG funds drastically underperform standard ETFs. In fact the oldest ESG fund, SUSA, underperformed <https://www.bloomberg.com/opinion/articles/2020-01-27/esg-etfs-your-socially-conscious-fund-probably-has-some-holes> the S&P 500 index by 37 points over a decade. Further, investors don't want managers to take personal liberties and direct resources into these funds. A survey by the Spectrem Group <http://e09ef08898c431bcc4e7-11b950890bc8bd0c93487608b72ae520.r72.cf2.rankcdn.com/Exile%20of%20Main%20Street-%20A%20Spectrem%20Group%20Whitepaper%20Providing%20a%20Voice%20to%20Retail%20Investors%20on%20the%20Proxy%20Advisory%20Industry.pdf> determined that investors and individuals with 401(K)s prefer that companies rightfully pursue profit maximizing strategies instead of social priorities.

On a personal level I am hopeful this rule is passed in short order. I rely on pension payments to support my family, including a daughter awaiting a kidney transplant. Any strategy other than profit maximizing investing would put even stricter financial limits on my family.